

For immediate release

Media Release

28 January 2022

Additional Electricity Contracts for Consumers

In recent months, global gas prices have risen to record levels due to unanticipated demand for gas and reductions in global gas supply. In Singapore, this has been compounded by episodes of piped natural gas disruptions, leading to unprecedented volatility in the Singapore Wholesale Electricity Market (SWEM). Since October 2021, the Energy Market Authority (EMA) has implemented a set of measures to enhance Singapore's energy security and stabilise the SWEM¹.

2. Most consumers are not affected as they are either on the regulated tariff or on standard retail price plans. Only around 1% of consumers buy electricity directly from the SWEM and are exposed to the volatile prices. All households, and businesses with an average monthly consumption of less than 4MWh can switch to the regulated tariff at any time. For businesses that consume more and would like to be on retail price plans, EMA has introduced the Temporary Electricity Contracting Support Scheme (TRECS)². The scheme has been fully subscribed for January and February. EMA has thus worked with generation companies (gencos) and electricity retailers to offer additional contracts to consumers.

Consumers Affected by Price Volatility Supported Through TRECS

3. The volatile gas and electricity prices and the risk of PNG supply disruptions have limited electricity retailers' ability to offer fixed price contracts to consumers. EMA had received feedback that some consumers³ are facing difficulties in renewing their contracts or obtaining new contracts, especially for the first quarter of 2022.

4. For large consumers that do not have the option of switching to the regulated tariff, EMA worked with gencos and electricity retailers to draw on EMA's standby LNG facility to offer monthly fixed price plans. These price plans provide a viable option for companies which want to reduce their exposure to volatile electricity prices but face difficulties in securing electricity contracts.

¹ [Pre-emptive Measures to Enhance Singapore's Energy Security and Resilience](#)

² [Introduction of the Temporary Electricity Contracting Support Scheme](#)

³ Large consumers are those who have an average monthly consumption of at least 4 MWh.

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5. The quantum of contracts under TRECS for February 2022 has been fully subscribed. In response to requests for more contracts, EMA has worked with the gencos and retailers on the following:

- a. **For consumers with average monthly consumption of 4 to 8 MWh:** Sembcorp Power Pte Ltd will be offering additional one-month fixed price plans to consumers at preferred prices.
- b. **For larger consumers:** Sembcorp Power Pte Ltd, Senoko Energy Supply Pte Ltd, Geneco (by Seraya Energy), and PacificLight Energy Pte Ltd will offer contracts with a significant fixed price component.

6. Interested consumers can contact retailers from 28 January 2022 to enquire on this.

7. In total, the above retailers will be offering about double the TRECS capacity offered in January 2022. This is expected to meet the demand of most consumers.

8. Should consumers face difficulty in securing an electricity contract, they may contact EMA via ema_enquiry@ema.gov.sg for further assistance.

Other Measures to Enhance Singapore's Energy Security and Resilience

9. Besides supporting electricity contracting between gencos/retailers and large consumers, EMA has put in place upstream measures to secure our electricity supply:

- a. Established a Standby LNG Facility (SLF), which gencos can draw from to generate electricity when their natural gas supplies are disrupted. This is the same facility which gencos draw fuel for TRECS.
- b. Directed gencos to maintain sufficient fuel for power generation, based on their available generation capacity⁴ for power generation, from 1 January 2022 to 31 March 2022. This requirement is in addition to the existing requirement of having fuel reserves that they are required to maintain under their licences.
- c. Put in place measures to better manage the gas network pressure, as ongoing upstream production issues in Indonesia's West Natuna gas fields and low gas landing pressure from South Sumatra are expected to continue to affect the PNG supply into Singapore. In particular, EMA has introduced a framework to require gencos to manage their gas demand pre-emptively, to avoid the need for gas curtailment, from 1 January 2022. Since the

⁴ Refers to a genco's available combined cycle gas turbine (CCGT) generation capacity, excluding capacity on planned maintenance.

measures were introduced, there have been no further gas curtailment incidents.

- d. To maintain power system security and reliability, EMA has also put in place a framework to direct gencos to generate electricity using the gas from the SLF pre-emptively, if there are potential shortages in energy supply in the SWEM. EMA had activated this measure to deal with electricity supply shortfalls in January 2022, which helped to ensure sufficient electricity supply.

10. EMA will review if these measures are still needed by 31 March 2022.

11. EMA is committed to ensuring that Singapore's power supply remains secure and reliable. We will continue to monitor market developments and review or introduce further measures if necessary. At the same time, all consumers are encouraged to do their part to conserve energy where possible.

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About the Energy Market Authority

The Energy Market Authority (EMA) is a statutory board under the Singapore Ministry of Trade and Industry. Through our work, we seek to forge a progressive energy landscape for sustained growth. We aim to ensure a reliable and secure energy supply, promote effective competition in the energy market and develop a dynamic energy sector in Singapore. Visit www.ema.gov.sg for more information.

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